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Press Release

Microsoft and InterTrust Settle Outstanding Litigation and License Intellectual Property

Redmond, WA, and Santa Clara, CA, April 12, 2004 - Microsoft Corporation and InterTrust Technologies Corporation announced today that Microsoft has taken a comprehensive license to InterTrust's patent portfolio for a one-time payment of \$440 million.

The agreement resolves all outstanding litigation between the two companies. In addition, InterTrust receives rights under Microsoft patents to design and publish InterTrust reference technology specifications related to DRM (Digital Rights Management) and security. Microsoft and InterTrust believe this agreement will accelerate adoption and development of DRM technologies.

"Licensing InterTrust's patent portfolio reaffirms Microsoft's commitment to the importance of intellectual property rights as well as our commitment to our end-user customers to stand behind our products in these emerging technology areas," said Marshall Phelps, deputy general counsel and corporate vice president of intellectual property at Microsoft. "One of our goals with this and our broader IP licensing program is to provide peace of mind for our customers and partners by letting them know that patent licensing is our responsibility. Doing an effective job at managing the IP in our software differentiates our products and builds confidence that Microsoft has the rights necessary to build innovative solutions." "Today's announcement validates InterTrust's intellectual property portfolio as seminal to advancing DRM and trusted computing in the marketplace," said Talal Shamoona, chief executive officer of InterTrust. "InterTrust will continue to help drive the adoption of these important technologies through our inventions, licensing programs and reference technologies, and we expect to develop a thriving licensing business going forward."

The settlement agreement ensures that Microsoft's end user customers can use Microsoft products and services as they are intended to be used without requiring a license from InterTrust. In addition, software developers who build products using Microsoft platform technology will not require an InterTrust license for normal and expected uses of the Microsoft technology.

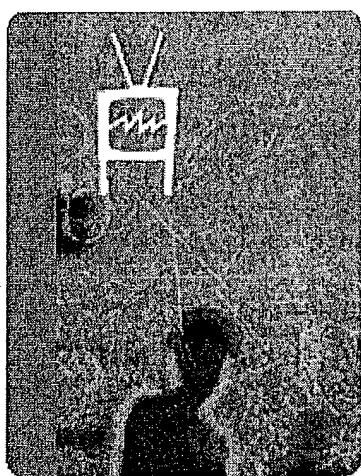
However, developers, including system integrators, may need a license from InterTrust for other uses of Microsoft technology, including cases in which Microsoft technology is combined with third party technology. Information about licensing terms, questions about whether a license is needed, and documents needed to license InterTrust technology can be found in licensing. Third-party software developers can also obtain information from Microsoft at www.microsoft.com/presspass.

"DRM solutions are essential to secure valuable personal, business, and commercial content in a massively connected world," said Will Poole, senior vice president of the Windows client business at Microsoft. "With our existing technology and IP portfolio combined with our new agreement with InterTrust, Microsoft is committed to working with the broader industry to accelerate the promotion of DRM standards and solutions. Microsoft and our partners are delivering the most powerful and flexible rights management solutions in the industry, while assuring customers that we have the IP necessary to secure our products."

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About InterTrust Technologies Corporation

InterTrust is an independent, privately held company located in Silicon Valley. The Company was founded in 1990 and was publicly traded from 1999 to early 2003 when it merged with a joint venture owned by Sony, Philips, and Stephens Bank. The Company holds 30 U.S. patents and has over 100 patent applications pending worldwide. InterTrust's patent portfolio covers software and hardware techniques that can be implemented in a broad range of products that use DRM and trusted computing technologies, including computer operating systems, digital media platforms, web services, and enterprise infrastructure. InterTrust has research, engineering, and IP groups focused on developing and monetizing next-generation technologies and inventions.

About Microsoft Inc.

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services, and solutions that help people and businesses realize their full potential.

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Note to editors: Additional information on InterTrust and Microsoft can be found at the following websites. For InterTrust, please visit other pages of this website. For Microsoft, please visit the Microsoft web page at <http://www.microsoft.com/presspass/> on Microsoft's corporate information pages. Web links, telephone numbers, and titles were correct at time of publication, but may since have changed. For additional assistance, journalists and analysts may contact Microsoft's and/or InterTrust's Rapid Response Teams respectively or other appropriate contacts listed at <http://www.microsoft.com/presspass/contactpr.asp>.

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